



Instr: 201008270032910
P: 1 of 2 F: \$28.00 08/27/2010
Rick Campbell 1:05PM LEAS
Stark County Recorder T20100827139

NON-DRILLING OIL & GAS LEASE

THIS LEASE, dated this 17 day of August, 2010, by and between
Brian A. Covert & Darla J. Covert (H&W)
16275 Terramont St NE
Minerva, Ohio 44657-9124

hereinafter referred to as Lessor, and D&L Energy, Inc., an Ohio Corporation, of 2761 Salt Springs Rd, Youngstown, OH, 44509, hereinafter referred to as Lessee, hereby agree as follows:

1.) Lessor, for and in consideration of one dollar (\$1.00) and OVC, grants Lessee, its successors and assigns, and their constituents, all the oil and gas in and under the lands described below, with the exclusive rights to operate for, produce and market the same from a well or wells on other lands; the right to unitize Lessor's lands, or any portion, along with other lands into a drilling unit(s) of not more than one hundred sixty acres, the right to lay pipelines over and through the premises hereinafter described and to maintain, operate, repair, replace and remove same, together with valves and other necessary appurtenances. This Lease is for five (5) years and as long thereafter as operations are being conducted on any such unit or oil and gas can be produced in paying quantities in Lessee's judgment from any such unit. This Lease covers all of Lessor's land in and adjoining, said Parcel No(s). 4102019,

4101571, bounded now or formerly, as follows:

North by lands of: Lukowski East by lands of: Hardman
South by lands of: Terramont St. West by lands of: Covert/Lukow
In the City/Township of Paris, County of Stark,
State/Commonwealth of Ohio, and containing 132 acres, more or less.
Sec: 1 Tn: 17 North Rng: 6 west Ext: Paris Twp.

2.) Lessor shall be paid as royalties a proportional share of one-eight (1/8th) of the proceeds by Lessee on all oil and gas sold off the unit, as the amount of Lessor's acreage in the unit bears to the total acreage in the unit. Payment or royalty for gas marketed during any calendar month to be on or about the 30th day after receipt of such funds by the Lessee. Lessee to deduct from payments of proceeds by Lessee, Lessor's prorata share of any tax imposed by any government body.

3.) No well shall be drilled on Lessor's property, the within Lease being granted for the purposes of permitting the Lessee to unitize and develop the leased properties with other properties. Lessor understands and gives consent that due to slant (directional) drilling, originating from surface entry on a parcel not owned by Lessor, the well bore may pass through or terminate below the surface of Lessor's property.

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4.) In case the Lessor owns a less interest in the above described premises than the entire and undivided fee simple therein, then the royalties and rentals herein provided for shall be paid to the Lessor only in the proportion which such interest bears to the whole and undivided fee. If said land is owned by two or more parties, or the ownership of any interest therein should hereafter be transferred by sale, devise or operation of law, said land, nevertheless, may be held, developed and operated as an entirety, and the rentals and royalties shall be divided among and paid to such several owners in the proportion that the acreage owned by each such owner bears to the entire leased acreage.

5.) No change of ownership in the leased premises or in the rentals or royalties hereunder shall be binding on the Lessee until after notice to the Lessee by delivery of notice in writing duly signed by the parties to the instrument of conveyance or assignment and delivery of a duly certified copy thereof to the Lessee.

6.) Lessor further agrees that the Lessee shall have the right at any time to redeem for Lessor, or otherwise acquire by payment, any mortgage or other liens upon the described lands which any manner affect the Lessee's interest therein in the event of default of payment by Lessor and be subrogated in full to all the holder thereof the same as if Lessee were the original owner of said mortgage.

IN WITNESS WHEREOF, the Lessor(s) hereto set their hands to this Non-Drilling Oil and Gas Lease, referenced herein on this 17 day of August, 2010.

Signed and acknowledged in the presence of: Signature(s) of Lessor
[Signature] x Brian A. Covert
[Signature] x Darla J. Covert

STATE/Commonwealth of Ohio :
COUNTY OF Stark :SS: INDIVIDUAL

Before me a Notary Public in and for said county and state personally appeared the above named Brian A. Covert & Darla J. Covert who acknowledged to me that he/she/they did execute the foregoing instrument and that the same is his/her/their free act and deed for the purpose therein set forth.

In Testimony Whereof, I have hereunto set my hand and affixed my official seal this 17 day of August, 2010.
[Signature]
Notary Public

